

PARTISAN POLITICS

Mr. MILLER. Mr. President, I hear today we are about to have a funeral, that the stimulus bill is on life support, and that the plug will be pulled sometime today. The cause of death? Partisan politics. It is a shame, although perhaps the money can now be applied to the deficit, which has concerned some of us, and we will be closer to a balanced budget.

The soon-to-be-deceased could have been saved. We had a reasonable compromise right before we adjourned for Christmas. The President supported it. Some Democrats, including this one, supported it. It had a majority of the votes in the Senate. Right now, if it had passed, it could have already been signed, the rebates could be being prepared, a reasonable health care benefit could have been a reality—such promise. Who was it who wrote that the saddest words of word or pen are that it might have been—something like that?

This week we could have made the tax cut permanent. We could have added a capital gains tax cut. That is what Senator GRAMM and I have advocated for some time.

No one ever stated so well how powerful an effect a cut in the capital gains tax could have on the economy as a Democrat, President John F. Kennedy. I quote:

The tax on capital gains directly affects investment decisions . . . the mobility and flow of risk capital from static to more dynamic situations . . . the ease or difficulty experienced by new ventures in obtaining capital . . . and thereby the strength and potential for growth of the economy.

That was Jack Kennedy, not the Washington Times or the Wall Street Journal or Lawrence Kudlow or PHIL GRAMM or Bob Novak. That was John Kennedy, a Democrat.

Over the years, he was not the only member of my party who advocated cutting the capital gains tax as a good way to stimulate the economy. Senator Patrick Moynihan, that wise and brilliant former Member of this body, consistently advocated it over the years.

What history shows is that, once upon a time, Democrats were tax cutters. I wish I could bring that time back. I rise today to strongly advocate making the tax cut we passed last year permanent and to cut the capital gains tax rate.

Unfortunately, the tax cut we passed last year, although it was a great tax cut, was compromised on its way to final passage. What started out as a broad, immediate, and permanent tax cut became one where some of the tax relief is delayed by several years. Then to add insult to injury, the whole thing is to be repealed in 2010.

We do something that, to my knowledge, Congress never had the gall to do before on a broad basis. We sunset individual tax cuts. We have done that several times with business tax revisions. But to individuals, to families, we have never done it where we gave them their money back and then took it away

again later. That is playing games with our taxpayers. We should never do that. Eliminate the uncertainty of this tax cut and you will stimulate our economy. How can anyone make any long-range plans for a business or for a family with a here-today, maybe-gone-tomorrow tax cut, a tax cut that has a perishable date on it like a quart of milk?

The fastest way to show taxpayers we are serious about tax relief—the only way, really—is to make the tax cut permanent. The fastest way to prompt businesses to expand and to invest is to cut the capital gains rate from 20 to 15 percent. We are not in a slump just because consumer sales are down. We are in a slump because venture capital fell 74 percent in the past year. Capital spending by businesses is at its lowest in decades.

As Senator GRAMM said, every time we have cut the capital gains rate—every time—tax revenues have risen, not fallen, and asset values have always shot up.

Today a capital gains tax cut would bring even better results because today's stock market is no longer the playground of the rich. Almost half of all Americans now own stock, and almost a third—one out of three—who earn less than \$30,000 a year own stock. Aren't those the people whom we Democrats say we want to help? The American middle class has become, for the first time in our history, the American investment class.

So as I eulogize this soon-to-be-deceased, I think of the bruised and battered Marlon Brando's "On The Waterfront"—what could have been. We could have had a contender.

The PRESIDING OFFICER (Mr. CORZINE). The Senator from Missouri.

CONTINUING WORK ON THE
STIMULUS PACKAGE

Mr. BOND. Mr. President, I thank my colleagues from Georgia and from Texas for presenting some very cogent arguments as to why we need to keep working on this stimulus bill. I am disappointed by the sounds I am hearing that it is going to be pulled. We need stimulus in this economy, and we have already adopted an amendment that I proposed, on an overwhelmingly bipartisan vote, to allow small businesses to write off immediately their investments.

As I have said, I have two more amendments, frankly, in addition, that are pending at the desk that I think my colleagues, if given an opportunity to vote on them, would vote for overwhelmingly.

First is a measure that addresses the tax benefits for the armed services members who served in the operations in Somalia. I don't think there would be many on this floor who would not vote for it if they had a chance. It provides that those who served during peacekeeping efforts in Somalia should receive the same tax benefits in the

same manner as if such services were performed in a combat zone.

As we fight the global reach of the terrorist networks, we are asking our men and women in uniform to perform at the very highest levels and at an unprecedented operational tempo. This amendment I filed would allow the men and women who served within the hostile fire zone in Somalia to file for the same tax breaks afforded to military forces who serve in a combat zone. Anybody who has seen the movie "Blackhawk Down," based on the real world conflict in Somalia, will understand that our forces who served in that conflict were in a combat zone.

The Pentagon criterion for hostile fire pay requires the duty is "event based, payable to members certified that have been subject to a hostile fire. . . ."

Former SSG Kenneth Chatman, from Oran, MO, served the Army for 16 years as an avionics electronics repair technician. He served in Somalia from August of 1993 to January of 1994 with the 101st Airborne Division, air assault. The only tax exemption soldiers in Somalia got was when they transited to some other zone. In his case, he flew over Egypt and got a tax-free month. That is unjust. I believe anybody who appreciates the battle that our military are taking on against terrorism will understand that the sacrifices made by our forces require that we give these brave men and women the same tax breaks that others under direct fire receive.

The second amendment I have is truly a stimulus measure. It is designed to increase the amount of venture capital available to small business. The Small Business Administration Small Business Investment Company Program—the SBIC Program—has a significant role in providing venture capital to small businesses seeking investments in the range of \$500,000 to \$3 million.

Small Business Investment Companies are Government-licensed, Government-regulated, privately managed, venture capital firms created to invest only in original debt or equity securities of U.S. small businesses that meet size standards set by law.

In the current economic environment, the SBIC Program represents an increasingly important source of capital for small enterprises—small enterprises that are struggling to get back on their feet, to grow now in the face of this economic recession we have been in for well over a year. They need to have funding. While debenture SBICs qualify for SBA-guaranteed borrowed capital, the Government guarantee forces a number of potential investors—namely, pension funds—to avoid investing in SBICs because they would be subject to tax liability for unrelated business tax income—UBTI. Thus, they don't put their money in it. As a result, 60 percent of the private capital potentially available to invest for these SBICs to create jobs, put men and

women to work, create wealth in the community, is "off limits."

My amendment would correct that problem by excluding Government-guaranteed capital borrowed by debenture SBICs from debt for purposes of the UBTI rules.

When we are looking at the need to diversify pension funds, this gives those who hold pension funds who seek retirement security an opportunity to use Government-guaranteed funds for investment in small businesses in a professionally managed small business investment company the opportunity to put their retirement funds to work and create jobs in their community, create growth and opportunity for men and women who need those jobs now.

I hope and expect, once again, that if this targeted small business stimulus incentive were put up on this floor for a vote, it would be overwhelmingly adopted and we would see jobs and growth of small business.

I urge the leader, the Senator from South Dakota, to give us an opportunity to continue to work on this very important package, which has some good things in it and, if we had the chance to work on it, would have more good things in it.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

A "SPECIAL" AMERICAN FLAG

Mrs. CLINTON. Mr. President, I rise today to express my deep and profound opposition to a decision by the International Olympic Committee to ban the carrying of a special American flag during the opening ceremonies of the 2002 Olympics in Salt Lake City.

This flag is very special. It was found in the rubble of the World Trade Center after the attacks on September 11. It is a powerful, moving, visual reminder of America's strength, endurance, and freedom.

In fact, I believe this flag carries with it a profound parallel with the original Star-Spangled Banner—the historic flag that flew over Fort McHenry in the War of 1812, and in the battle of 1814 it survived 25 hours of bombardment and inspired the creation of our national anthem.

Now, to those who say that the carrying of this particular flag by American athletes marching into the stadium would be a "political statement," I say this is a ridiculous argument on its face. The American flag from the World Trade Center is the American flag, just as surely as the flag that flanks our Presiding Officer, as the flag that has flown in many classrooms, in front of many homes, and at the top of this great Capitol dome. It is not a symbol of politics. It is the representation of our Nation, and it does what so many of us believe needs to be done right now: It demonstrates clearly our resilience and our persistence in the face of terrorism. We should have the right to carry this flag in whatever na-

tional or international setting we choose.

To those who say that the carrying of this flag would set some kind of improper precedent, I say this is an equally absurd argument. First of all, the attacks on our country on September 11 were themselves unprecedented, and there is every reason for us to mark the tragic events of that day by having our athletes hold the flag from the World Trade Center aloft during the opening ceremonies of the Olympics.

Second, should the unthinkable occur and any similar tragedy strike this or any other nation in the years ahead, I cannot imagine any serious objection being raised if any nation wanted to carry its own flag, like this flag, in a future Olympic event. The world was shocked by the attacks of September 11.

Freedom-loving people everywhere are united with us in our determination to fight back against terrorism. While the terrorists may have destroyed buildings and ended lives, they did not destroy the values we share, and those values define our Nation and find expression in the stars and stripes of our flag.

I believe the carrying of this flag that terrorists could not destroy is fully in keeping not only with the spirit of America but with the spirit of the Olympics.

According to the International Olympic Committee, the Olympic movement is meant "to contribute to building a peaceful and better world," and the Olympic spirit is built on "mutual understanding with a spirit of friendship, solidarity, and fair play."

I believe the carrying of this World Trade Center American flag does help contribute to building a peaceful and better world, especially because those who attempted to destroy our way of life and who did destroy buildings tried to accomplish the exact opposite goal. They were not trying to contribute to a better and peaceful world but just the opposite.

This flag, in a sense, for the entire world portrays that "spirit of friendship, solidarity, and fair play" that underscores the Olympic spirit.

Mr. President, today I am writing to the International Olympic Committee to urge them to reverse their decision regarding the carrying of this American flag during the opening ceremonies of the Olympics. I ask my colleagues for their support and their signatures on this letter.

We are the host Nation for the Olympics. Our athletes and the American people they represent want this flag carried by them on Friday, and I do not believe the International Olympic Committee should stand in the way of this fitting and patriotic act, nor should they have any role in telling us which particular American flag we can carry in the Olympics staged in our country just a few months after the terrible and tragic attacks of September 11.

I hope the Olympic Committee will change this very ill-thought-out, ill-advised, and insulting decision before Friday. But until then, I hope my colleagues will join me in expressing not only our concern but our outrage at what seems to be a demeaning decision meant to undermine what this flag represents and in some clear way to undermine the heroic efforts of the firefighters who found it and hoisted it. I hope this decision will be changed.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Delaware.

ECONOMIC STIMULUS

Mr. CARPER. Mr. President, earlier this morning—in fact, just a few minutes ago—our colleague from Georgia, Senator MILLER, spoke quite eloquently about a patient on life support and said the life support was about to be withdrawn.

The patient in his comments was the economic stimulus package we have been trying to negotiate since October. I like his analogy, but I think he may not have picked the right patient.

The patient we have been trying to bring back to health is not a stimulus package. The patient that has been in the hospital bed has been the economy. We have had a sick economy, and we have been working to try to figure out how we might ensure the full, complete, and healthy recovery of that economy.

Today, we pull the plug, if you will, from that recovering economy. We pull the plug on hope for a stimulus package. It is not going to happen. I do not think we ought to spend our time today, tomorrow, or this week casting aspersions—Democrats on Republicans or vice versa. There has been a lot of good will and a lot of effort exerted in October, November, December, January, and even earlier this month by both sides, people of good will trying to figure out how we infuse capital investments, how we reach out to those who lost their health care, how we reach out to those who are losing unemployment benefits, how we help States that are struggling financially right now.

There is an old saying which I think everybody has used once or twice: The first rule is do no harm. By essentially walking away from this debate today, we will have done no harm. Had we been able to act in October, November, or December with a reasonable package that was consistent with the three principles we talked about for the last 4 or 5 months—a stimulus should be temporary, it should be truly stimulative, and it should not exacerbate the deficit over the long haul—if we could have come to agreement on that and presented a package for the President's signature, that would have been fine. We just could not do that.

Now we face a time when the Federal Reserve has launched the most aggressive monetary policy, ratcheting down interest rates for the last year, infusing extra money in our money supply,